

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4570-02
Bill No.: HB 1466
Subject: Economic Development; Economic Development Department; Science and Technology; Charities
Type: Original
Date: February 3, 2012

Bill Summary: This proposal establishes a pilot program for the establishment and support of nonprofit math and science tutoring centers serving any metropolitan district schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$300,000 to Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$300,000 to Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Mathematics and Science Tutoring Fund	Up to \$300,000 or Unknown or (\$0)	Unknown to (\$0)	Unknown to (\$0)
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$300,000 or Unknown to (\$0)	Unknown to (\$0)	Unknown to (\$0)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** state this proposal will have no fiscal impact on their agency.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state this proposed legislation should not result in additional costs or savings to BAP.

BAP assumes that, beginning January 1, 2013, any science, technology, engineering, or mathematics (STEM) business in the state may make a donation to a math and science tutoring center and retain half of the value of its donation from its withholding. There is no cap on the amount of withholdings allowed to be retained. This proposal will reduce general and total state revenues by an unknown, perhaps significant, amount beginning in FY 2013.

Officials from the **Department of Elementary and Secondary Education** assume tax subsidies reduce the state's tax revenues and decrease the amount of money available for public schools and public school students.

Officials from the **Department of Revenue - Division of Taxation** assume the IT portion of fiscal impact is estimated with a level of effort valued based on 504 FTE hours of programming cost for a total cost of \$13,356.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process

Officials from the **Department of Economic Development - Division of Workplace Development** assume this proposed legislation creates a new program and fiscal impact is based on the following sections:

§160.1995.3 - The Division of Workforce Development and the Department of Economic Development are to approve disbursements from the fund.

§160.1995.4 - The Workforce Development Division with the Department of Economic Development shall develop an application to certify approved math and science tutoring centers for distribution of appropriated funds.

ASSUMPTION (continued)

Based on the additional duties required in these sections, there would be a need for one additional staff person, Workforce Development Specialist IV, with an annual cost of \$40,212.

Oversight assumes the duties associated with this program are limited primarily to the first year of implementation and can be done with existing resources. If additional personal costs are indicated, they may be requested through the appropriations process.

Officials from the St Louis Public School District did not respond to a request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Loss</u> - State Revenues - Decrease in withholding taxes	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Department of Economic Development - Funding for math and science tutoring Centers	(\$300,000)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$300,000 to Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
MATHEMATICS AND SCIENCE TUTORING FUND			
<u>Transfer In</u> - General Revenue - Program funding.	\$300,000	\$0	\$0
<u>Income</u> - Gifts, grants, bequests	Unknown	Unknown	Unknown
<u>Disbursements</u> - Mathematics and science tutoring center start up expenses	(Up to \$300,000)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON MATHEMATICS AND SCIENCE TUTORING FUND	<u>Up to \$300,000 or Unknown or (\$0)</u>	<u>Unknown to (\$0)</u>	<u>Unknown to (\$0)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses engaged in occupations categorized as science, technology, engineering, or mathematics could have a reduced withholding tax liability.

FISCAL DESCRIPTION

This proposal creates the Math and Science Tutoring Act which establishes a pilot program for nonprofit tutoring centers for students in any St. Louis City public school which is less than 50% proficient school-wide on its assessment scores. Master teachers, as specified in the proposal, will staff the program and train the volunteer tutors to provide services that complement the student's school assignments. The center must provide transportation for the student's return trip after a tutoring session.

The Mathematics and Science Tutoring Center Fund is created which is to consist of \$300,000 appropriated by the General Assembly to start up the center and any gifts, grants, bequests, and devises. The Workforce Development Division within the Department of Economic Development must develop an application process to certify approved math and science tutoring centers for distribution of the appropriated funds. Beginning January 1, 2013, any business in the state engaged in a science, technology, engineering, or mathematics occupation may make a donation to a center and retain half of the amount from its withholding tax.

The provisions of the bill will expire six years after the effective date.

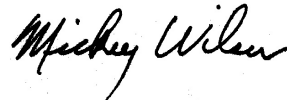
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Economic Development
 Division of Workplace Development
Department of Revenue
Office of State Treasurer
Office of Administration
 Division of Budget and Planning

NOT RESPONDING

St Louis Public School District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
February 3, 2012